

House Engrossed

FILED
MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

CHAPTER 204

HOUSE BILL 2102

AN ACT

AMENDING SECTION 36-260, ARIZONA REVISED STATUTES; REPEALING SECTION 36-261, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 2, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 36-261; REPEALING SECTION 36-261.01, ARIZONA REVISED STATUTES; AMENDING SECTION 36-262, ARIZONA REVISED STATUTES; REPEALING SECTIONS 36-263 AND 36-264, ARIZONA REVISED STATUTES; AMENDING SECTIONS 36-797.43, 36-797.44 AND 36-2907.08, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2912; AMENDING SECTION 43-1088, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Heading change

3 The article heading of title 36, chapter 2, article 3, Arizona Revised
4 Statutes, is changed from "CHILDREN'S REHABILITATIVE SERVICES" to "CHILDREN
5 WITH CHRONIC ILLNESSES OR PHYSICAL DISABILITIES".

6 Sec. 2. Section 36-260, Arizona Revised Statutes, is amended to read:

7 36-260. Definitions

8 In this article, unless the context otherwise requires:

9 ~~1. "Administration" means the Arizona health care cost containment~~
10 ~~system administration.~~

11 ~~2. 1. "Chronically ill or children with physical disabilities~~
12 CHILDREN WHO HAVE A CHRONIC ILLNESS OR PHYSICAL DISABILITY" means children
13 who are under twenty-one years of age and whose primary diagnosis is a severe
14 physical condition that may require ongoing, medical or surgical
15 intervention.

16 ~~3. "Director" means the director of the Arizona health care cost~~
17 ~~containment system administration.~~

18 2. "DEPARTMENT" MEANS THE DEPARTMENT OF HEALTH SERVICES.

19 Sec. 3. Repeal

20 Section 36-261, Arizona Revised Statutes, is repealed.

21 Sec. 4. Title 36, chapter 2, article 3, Arizona Revised Statutes, is
22 amended by adding a new section 36-261, to read:

23 36-261. Children who have a chronic illness or physical
24 disability; program

25 SUBJECT TO THE AVAILABILITY OF MONIES, THE DEPARTMENT SHALL ESTABLISH
26 AND ADMINISTER A PROGRAM FOR CHILDREN WHO HAVE A CHRONIC ILLNESS OR PHYSICAL
27 DISABILITY OR WHO ARE SUFFERING FROM A CONDITION THAT LEADS TO A CHRONIC
28 ILLNESS OR PHYSICAL DISABILITY. THE PROGRAM SHALL PROVIDE FOR:

29 1. THE DEVELOPMENT, EXTENSION AND IMPROVEMENT OF SERVICES FOR LOCATING
30 THESE CHILDREN.

31 2. THE EVALUATION OF NEEDS.

32 3. THE GATHERING OF STATISTICAL INFORMATION.

33 4. A STATEWIDE INFORMATION AND REFERRAL SERVICE FOR CHILDREN WHO HAVE
34 A CHRONIC ILLNESS OR PHYSICAL DISABILITY TO LINK THOSE CHILDREN AND THEIR
35 FAMILIES WITH LOCAL SERVICE PROVIDERS.

36 Sec. 5. Repeal

37 Section 36-261.01, Arizona Revised Statutes, is repealed.

38 Sec. 6. Section 36-262, Arizona Revised Statutes, is amended to read:

39 36-262. Central statewide information and referral service for
40 children who have a chronic illness or physical
41 disability

42 A. The purposes of the information and referral service for
43 ~~chronically ill or children with physical disabilities~~ CHILDREN WHO HAVE A
44 CHRONIC ILLNESS OR PHYSICAL DISABILITY as prescribed pursuant to this article
45 are to:

1 1. Establish a roster of agencies providing medical, educational,
2 financial, social and transportation services to ~~chronically ill or children~~
3 ~~with physical disabilities~~ CHILDREN WHO HAVE A CHRONIC ILLNESS OR PHYSICAL
4 DISABILITY.

5 2. Develop or use an existing statewide, ~~computerized~~ information and
6 referral service that provides information on services for ~~chronically ill or~~
7 ~~children with physical disabilities~~ CHILDREN WHO HAVE A CHRONIC ILLNESS OR
8 PHYSICAL DISABILITY.

9 B. This section does not require any person or public or private
10 agency or other entity to participate in the information and referral
11 service.

12 Sec. 7. Repeal

13 Sections 36-263 and 36-264, Arizona Revised Statutes, are repealed.

14 Sec. 8. Section 36-797.43, Arizona Revised Statutes, is amended to
15 read:

16 36-797.43. Care and treatment of children with sickle cell
17 anemia; reimbursement

18 A. ~~The Arizona health care cost containment system administration~~
19 SUBJECT TO THE AVAILABILITY OF MONIES, THE DEPARTMENT OF HEALTH SERVICES,
20 through the children's rehabilitative services, may develop and operate,
21 either directly or by contracting with public or private providers, programs
22 for the diagnosis, care and treatment of children suffering from sickle cell
23 anemia.

24 ~~B. The programs developed and operated pursuant to this section are~~
25 ~~part of the children's rehabilitative services provided by the administration~~
26 ~~pursuant to section 36-261.~~

27 ~~C.~~ B. The parent or other responsible person, agency or third-party
28 payor shall reimburse the ~~administration~~ DEPARTMENT for part or all of the
29 costs of services rendered to a child pursuant to this section according to a
30 scale of rates and charges established by the ~~administration~~ DEPARTMENT and
31 based on the cost of services provided and the ability of the parent or
32 responsible person to pay for these services.

33 Sec. 9. Section 36-797.44, Arizona Revised Statutes, is amended to
34 read:

35 36-797.44. Care and treatment of adults with sickle cell
36 anemia; reimbursement

37 A. ~~The Arizona health care cost containment system administration~~
38 SUBJECT TO THE AVAILABILITY OF MONIES, THE DEPARTMENT OF HEALTH SERVICES,
39 through the children's rehabilitative services, may develop and operate,
40 either directly or by contracting with public or private providers, programs
41 for the diagnosis, care and treatment of adults suffering from sickle cell
42 anemia.

43 B. The adult or other responsible person, agency or third-party payor
44 shall reimburse the ~~administration~~ DEPARTMENT for part or all of the costs of
45 services rendered to an adult pursuant to this section according to a scale
46 of rates and charges established by the ~~administration~~ DEPARTMENT and based

1 on the cost of services provided and the ability of the adult or other
2 responsible person to pay for these services.

3 Sec. 10. Section 36-2907.08, Arizona Revised Statutes, is amended to
4 read:

5 36-2907.08. Basic children's medical services program;
6 definition

7 A. Beginning on October 1, 1996, the basic children's medical services
8 program is established to provide grants to hospitals that exclusively serve
9 the medical needs of children or that operate programs designed primarily for
10 children. The director of the department of health services, pursuant to an
11 intergovernmental agreement with the director of the Arizona health care cost
12 containment system and subject to the availability of monies, shall implement
13 and operate this program only to the extent that funding is available and has
14 been specifically dedicated for the program.

15 B. To receive a grant under this section, a hospital shall submit an
16 application as prescribed by the director of the department of health
17 services in a request for proposal that indicates to the director's
18 satisfaction that the applicant agrees to:

19 1. Use grant program monies to enhance the applicant's provision of
20 additional medical services to children and to improve the applicant's
21 ability to deliver inpatient, outpatient and specialized clinical services to
22 indigent, uninsured or underinsured children who are not eligible to receive
23 services under this article.

24 2. Establish and enforce a sliding fee scale for children who are
25 provided services with grant monies.

26 3. Account for monies collected pursuant to paragraph 2 of this
27 subsection separately from all other income it receives and to report this
28 income on a quarterly basis to the administration.

29 4. Use the grant to supplement monies already available to the
30 applicant.

31 5. Match the grant as prescribed by the director by rule with private
32 monies the applicant has pledged from private sources. The director shall
33 waive this requirement if the applicant is seeking the grant to qualify for a
34 private or public grant for the delivery of inpatient, outpatient or
35 specialized clinical care of indigent, uninsured or underinsured children who
36 are not eligible to receive services under this article.

37 6. Provide a mechanism to ensure that grant program monies are not
38 used for children who are eligible for services under this article.

39 7. Not use grant monies to fund the provision of emergency room
40 services.

41 C. By contract, the director of the department of health services
42 shall require a grantee to:

43 1. Annually account for all expenditures it makes with grant program
44 monies during the previous year.

45 2. Agree to cooperate with any audits or reviews conducted by this
46 state.

1 3. Agree to the requirements of this section and other conditions the
2 director determines to be necessary for the effective use of grant program
3 monies.

4 D. The director of the department of health services may limit either
5 or both the grant amount per contract or the number of contracts awarded. In
6 awarding contracts to qualified applicants the director shall consider:

7 1. The amount of monies available for the grant program.

8 2. The need for grant monies in the area served by the applicant as
9 stated by the applicant in the response to the request for proposals and as
10 researched by the administration.

11 3. The number of children estimated to be served by the applicant with
12 grant program monies.

13 4. The services that will be provided or made available with grant
14 program monies.

15 5. The percentages of grant monies that the applicant indicates will
16 be reserved for administrative expenditures, direct service expenditures and
17 medical care personnel costs.

18 6. The financial and programmatic ability of the applicant to meet the
19 contract's requirements.

20 E. If the department of health services determines that a hospital has
21 used grant monies in violation of this section, it shall prohibit that
22 hospital from receiving additional grant program monies until the hospital
23 reimburses the department. The department shall impose an interest penalty
24 as prescribed by the director of the department of health services by
25 rule. The director shall deposit, pursuant to sections 35-146 and 35-147,
26 penalties collected under this section in the medically needy account of the
27 tobacco tax and health care fund.

28 F. The director of the department of health services may expend monies
29 from the medically needy account of the tobacco tax and health care fund
30 ~~transferred pursuant to section 36-2921, subsection A, paragraph 6~~ for the
31 purpose of funding evaluations of the grant program established by this
32 section. The director shall ensure that any evaluation is structured to meet
33 at least the base requirements prescribed in section 36-2907.07.

34 G. The director of the department of health services may expend monies
35 from the medically needy account of the tobacco tax and health care fund
36 ~~transferred pursuant to section 36-2921, subsection A, paragraph 6~~ for
37 administrative costs associated with the establishment or the operation of
38 the grant program. The amount withdrawn annually for grant program
39 administrative costs shall not exceed two ~~per cent~~ PERCENT of the sum of any
40 transfers of monies ~~made pursuant to section 36-2921~~ and any appropriation of
41 monies for the specified purpose of supporting the nonentitlement basic
42 children's medical services program established in this section.

43 H. The department of health services shall directly administer the
44 grant program and all contracts established pursuant to this section. The
45 director of the department of health services shall publish rules pursuant to
46 title 41, chapter 6 for the grant program before the issuance of the initial

1 grant program request for proposals. The director of the department of
2 health services and the contractor shall sign a contract before the
3 transmission of any tobacco tax and health care fund monies to the
4 contractor.

5 I. In administering the basic children's medical services program and
6 awarding contracts established pursuant to this section, the director of the
7 department of health services shall seek to efficiently and effectively
8 coordinate the delivery of services provided through the program with
9 services provided through other programs, including those established
10 pursuant to ~~chapter 2, article 3 of this title and~~ sections 36-2907.05, and
11 36-2907.06 AND 36-2912. The director shall seek to ensure that this
12 coordination results in providing for either or both the coverage of
13 additional children or the provision of additional medically necessary
14 services to children instead of supplanting existing service opportunities or
15 duplicating existing programs with no attendant increase in coverage.

16 J. For the purposes of this section, "grant program" refers to the
17 basic children's medical services program.

18 Sec. 11. Title 36, chapter 29, article 1, Arizona Revised Statutes, is
19 amended by adding section 36-2912, to read:

20 36-2912. Children's rehabilitative services program; definition

21 A. THE ADMINISTRATION SHALL:

22 1. ESTABLISH A CHILDREN'S REHABILITATIVE SERVICES PROGRAM FOR CHILDREN
23 WHO HAVE A CHRONIC ILLNESS OR PHYSICAL DISABILITY AND SHALL DEVELOP,
24 IMPLEMENT, MONITOR, SUPERVISE, CONTROL AND ESTABLISH POLICIES FOR THAT
25 PROGRAM.

26 2. DEVELOP AND IMPLEMENT POLICIES TO DETERMINE MEDICAL ELIGIBILITY FOR
27 THE CHILDREN'S REHABILITATIVE SERVICES PROGRAM.

28 3. DEVELOP AND IMPLEMENT ALL RULES AND POLICIES FOR THE OPERATION OF
29 THE CHILDREN'S REHABILITATIVE SERVICES PROGRAM.

30 4. ESTABLISH AND ADMINISTER A PROGRAM OF SERVICE FOR CHILDREN AND FOR
31 INDIVIDUALS DETERMINED TO BE ELIGIBLE BEFORE THEY REACH TWENTY-ONE YEARS OF
32 AGE WHO HAVE A CHRONIC ILLNESS OR PHYSICAL DISABILITY OR WHO ARE SUFFERING
33 FROM A CONDITION THAT LEADS TO A CHRONIC ILLNESS OR A PHYSICAL DISABILITY AND
34 ARE IN ACTIVE TREATMENT. THE PROGRAM SHALL PROVIDE FOR:

35 (a) MEDICAL, SURGICAL, CORRECTIVE AND OTHER SERVICES AND CARE.

36 (b) THE RECEIPT AND EXPENDITURE OF MONIES MADE AVAILABLE TO THE
37 ADMINISTRATION FOR SERVICES TO CHILDREN WHO HAVE A CHRONIC ILLNESS OR
38 PHYSICAL DISABILITY BY THE FEDERAL GOVERNMENT, THIS STATE OR ITS POLITICAL
39 SUBDIVISIONS OR FROM OTHER SOURCES, EXCLUDING MONIES RECEIVED FROM PARENTS OR
40 GUARDIANS FOR THE CARE OF CHILDREN.

41 (c) MAKING NECESSARY EXPENDITURES PURSUANT TO THE REQUIREMENTS OF THIS
42 SECTION.

43 (d) ESTABLISHING AND MAINTAINING SAFEGUARDS RELATING TO THE
44 CONFIDENTIALITY OF MEDICAL RECORDS.

1 (e) THE ACCEPTANCE AND USE OF FEDERAL MONIES FOR CHILDREN'S
2 REHABILITATIVE SERVICES AT THE DISCRETION OF THE ADMINISTRATION AND SUBJECT
3 TO ANY LIMITATIONS IMPOSED BY ANNUAL STATE APPROPRIATIONS.

4 (f) ANY OTHER ACTIVITIES THE ADMINISTRATION DETERMINES ARE NECESSARY
5 FOR THE EFFECTIVE OPERATION OF THE PROGRAM.

6 B. PURSUANT TO THE REQUIREMENTS OF SECTION 36-2903, THE DIRECTOR SHALL
7 PREPARE AND ISSUE A PUBLIC REQUEST FOR PROPOSALS, INCLUDING A PROPOSED
8 CONTRACT FORMAT, AT LEAST ONCE EVERY FIVE YEARS TO CONTRACT FOR THE CARE AND
9 TREATMENT OF CHILDREN WHO HAVE A CHRONIC ILLNESS OR PHYSICAL DISABILITY.

10 C. THE TOTAL AMOUNT OF STATE MONIES THAT THE ADMINISTRATION MAY SPEND
11 IN ANY FISCAL YEAR FOR CHILDREN'S REHABILITATIVE SERVICES MAY NOT EXCEED THE
12 AMOUNT APPROPRIATED OR AUTHORIZED BY SECTION 35-173 FOR THAT PURPOSE. THIS
13 SUBSECTION DOES NOT IMPOSE A DUTY ON AN OFFICER, AGENT OR EMPLOYEE OF THIS
14 STATE TO DISCHARGE A RESPONSIBILITY OR TO CREATE ANY RIGHT IN A PERSON OR
15 GROUP IF THE DISCHARGE OR RIGHT WOULD REQUIRE AN EXPENDITURE OF STATE MONIES
16 IN EXCESS OF THE EXPENDITURE AUTHORIZED BY LEGISLATIVE APPROPRIATION FOR THAT
17 SPECIFIC PURPOSE.

18 D. PURSUANT TO THE REQUIREMENTS OF SECTION 36-2923, THE ADMINISTRATION
19 SHALL COORDINATE BENEFITS PROVIDED PURSUANT TO THIS SECTION SO THAT ANY COSTS
20 PAYABLE BY THE ADMINISTRATION ARE COSTS AVOIDED OR RECOVERED FROM ANY
21 AVAILABLE PROVIDER OF FIRST-PARTY HEALTH INSURANCE BENEFITS. THE
22 ADMINISTRATION SHALL ACT AS PAYOR OF LAST RESORT UNLESS SPECIFICALLY REQUIRED
23 BY FEDERAL LAW.

24 E. FOR THE PURPOSES OF THIS SECTION, "CHILDREN WHO HAVE A CHRONIC
25 ILLNESS OR PHYSICAL DISABILITY" MEANS CHILDREN WHO ARE MEDICALLY ELIGIBLE FOR
26 THE CHILDREN'S REHABILITATIVE SERVICES PROGRAM AND WHO REQUIRE COVERED
27 MEDICAL, SURGICAL OR THERAPEUTIC SERVICES FOR A COVERED CONDITION THAT IS
28 MEDICALLY DISABLING OR POTENTIALLY DISABLING, AS PRESCRIBED BY THE
29 ADMINISTRATION.

30 Sec. 12. Section 43-1088, Arizona Revised Statutes, is amended to
31 read:

32 43-1088. Credit for contribution to qualifying charitable
33 organizations; definitions

34 A. Except as provided in subsection B of this section, a credit is
35 allowed against the taxes imposed by this title for voluntary cash
36 contributions by the taxpayer or on the taxpayer's behalf pursuant to section
37 43-401, subsection G during the taxable year to a qualifying charitable
38 organization not to exceed:

39 1. Two hundred dollars in any taxable year for a single individual or
40 a head of household.

41 2. Four hundred dollars in any taxable year for a married couple
42 filing a joint return.

43 B. If the voluntary cash contribution by the taxpayer or on the
44 taxpayer's behalf pursuant to section 43-401, subsection G is to a qualifying
45 foster care charitable organization, the credit shall not exceed:

1 1. Four hundred dollars in any taxable year for a single individual or
2 a head of household.

3 2. Eight hundred dollars in any taxable year for a married couple
4 filing a joint return.

5 C. A husband and wife who file separate returns for a taxable year in
6 which they could have filed a joint return may each claim only one-half of
7 the tax credit that would have been allowed for a joint return.

8 D. If the allowable tax credit exceeds the taxes otherwise due under
9 this title on the claimant's income, or if there are no taxes due under this
10 title, the taxpayer may carry forward the amount of the claim not used to
11 offset the taxes under this title for not more than five consecutive taxable
12 years' income tax liability.

13 E. The credit allowed by this section is in lieu of a deduction
14 pursuant to section 170 of the internal revenue code and taken for state tax
15 purposes.

16 F. Taxpayers taking a credit authorized by this section shall provide
17 the name of the qualifying charitable organization and the amount of the
18 contribution to the department of revenue on forms provided by the
19 department.

20 G. A qualifying charitable organization shall provide the department
21 of revenue with a written certification that it meets all criteria to be
22 considered a qualifying charitable organization. The organization shall also
23 notify the department of any changes that may affect the qualifications under
24 this section.

25 H. The charitable organization's written certification must be signed
26 by an officer of the organization under penalty of perjury. The written
27 certification must include the following:

28 1. Verification of the organization's status under section 501(c)(3)
29 of the internal revenue code or verification that the organization is a
30 designated community action agency that receives community services block
31 grant program monies pursuant to 42 United States Code section 9901.

32 2. Financial data indicating the organization's budget for the
33 organization's prior operating year and the amount of that budget spent on
34 services to residents of this state who either:

35 (a) Receive temporary assistance for needy families benefits.

36 (b) Are low income residents of this state.

37 ~~(c) Are chronically ill or children with physical disabilities.~~

38 (c) ARE CHILDREN WHO HAVE A CHRONIC ILLNESS OR PHYSICAL DISABILITY.

39 3. A statement that the organization plans to continue spending at
40 least fifty ~~per cent~~ PERCENT of its budget on services to residents of this
41 state who receive temporary assistance for needy families benefits, who are
42 low-income residents of this state or who are ~~chronically ill or children~~
43 ~~with physical disabilities~~ CHILDREN WHO HAVE A CHRONIC ILLNESS OR PHYSICAL
44 DISABILITY.

1 4. A statement that the organization does not provide, pay for or
2 provide coverage of abortions and does not financially support any other
3 entity that provides, pays for or provides coverage of abortions.

4 I. The department shall review each written certification and
5 determine whether the organization meets all the criteria to be considered a
6 qualifying charitable organization and notify the organization of its
7 determination. The department may also periodically request recertification
8 from the organization. The department shall compile and make available to
9 the public a list of the qualifying charitable organizations.

10 J. For the purposes of this section:

11 1. ~~"Chronically ill or children with physical disabilities~~ CHILDREN
12 WHO HAVE A CHRONIC ILLNESS OR PHYSICAL DISABILITY" has the same meaning
13 prescribed in section 36-260.

14 2. "Low-income residents" means persons whose household income is less
15 than one hundred fifty ~~per cent~~ PERCENT of the federal poverty level.

16 3. "Qualifying charitable organization" means a charitable
17 organization that is exempt from federal income taxation under section
18 501(c)(3) of the internal revenue code or is a designated community action
19 agency that receives community services block grant program monies pursuant
20 to 42 United States Code section 9901. The organization must spend at least
21 fifty ~~per cent~~ PERCENT of its budget on services to residents of this state
22 who receive temporary assistance for needy families benefits or low-income
23 residents of this state and their households or to ~~chronically ill or~~
24 ~~children with physical disabilities~~ CHILDREN WHO HAVE A CHRONIC ILLNESS OR
25 PHYSICAL DISABILITY who are residents of this state. Taxpayers choosing to
26 make donations through an umbrella charitable organization that collects
27 donations on behalf of member charities shall designate that the donation be
28 directed to a member charitable organization that would qualify under this
29 section on a stand-alone basis. Qualifying charitable organization does not
30 include any entity that provides, pays for or provides coverage of abortions
31 or that financially supports any other entity that provides, pays for or
32 provides coverage of abortions.

33 4. "Qualifying foster care charitable organization" means a qualifying
34 charitable organization that each operating year provides services to at
35 least two hundred foster children in this state and spends at least fifty
36 ~~per cent~~ PERCENT of its budget on services to foster children in this state.
37 For the purposes of this paragraph, "foster children" has the same meaning
38 prescribed in section 8-501.

39 5. "Services" means cash assistance, medical care, child care, food,
40 clothing, shelter, job placement and job training services or any other
41 assistance that is reasonably necessary to meet immediate basic needs and
42 that is provided and used in this state.

~~APPROVED BY THE GOVERNOR APRIL 6, 2015.~~

~~FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 7, 2015.~~

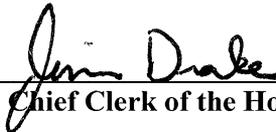
Passed the House February 26, 2015

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting



Speaker of the House

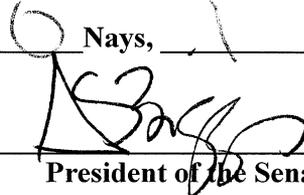


Chief Clerk of the House

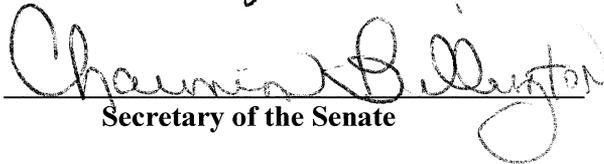
Passed the Senate April 31, 2015

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting



President of the Senate



Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

1st day of April, 2015

at 11:19 o'clock A. M.

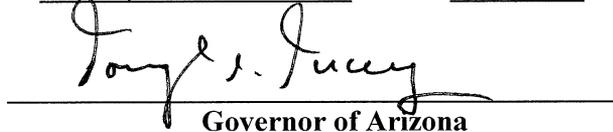


Secretary to the Governor

Approved this 6th day of

April

at 1:42 o'clock P M.



Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 7th day of April, 2015

at 8:30 o'clock A M.



Secretary of State

H.B. 2102